OIL AND GAS COMMISSION

July 31, 2006 7600-2700/2900-59070-20

Firdaus Rajan, P.Eng.
Senior Exploitation Engineer
Canadian Forest Oil Ltd.
2500, 645 – 7th Avenue S.W.
CALGARY AB, T2P 4G8

Dear Mr. Rajan:

RE: COMMINGLED PRODUCTION APPROVAL
Cdn Forest Rigel d-12-A/94-A-15; WA# 19272

The OGC has reviewed your application dated July 6, 2006, for approval to commingle gas production from the Gething and Dunlevy formations in the subject well.

The Commission has designated the gas pools under application to be the Rigel – Gething "C" and Dunlevy "F". The Gething is a two well pool, tested at a rate of 13.7 $10^3 m^3/d$ up the annulus of this well. The Dunlevy "F" is mapped as a pool of large areal extent with significant production history, the well d-12-A commencing production through the tubing in April 2006, at the present rate of 17 $10^3 m^3/d$. Both zones contain sweet gas at similar current pressures. As the Gething flow is near the critical lift rate, commingled production through the tubing should allow both zones to continue production by unloading fluids present in the wellbore thereby maximizing reserves recovery. The existing sliding sleeve will allow potential future isolated testing of the individual zones.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Gething (1074.0 – 1175.5 mKB) and Dunlevy (1083.5 – 1086.5 mKB) may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Gething 40 % and Dunlevy 60 %. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0310.

Sincerely,

Ron Stefik, AScT
Sr. Reservoir Engineering Technologist

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